

American Express Company

Earnings Conference Call
Q2'14

July 29, 2014

AMERICAN EXPRESS

Q2'14 Summary Financial Performance

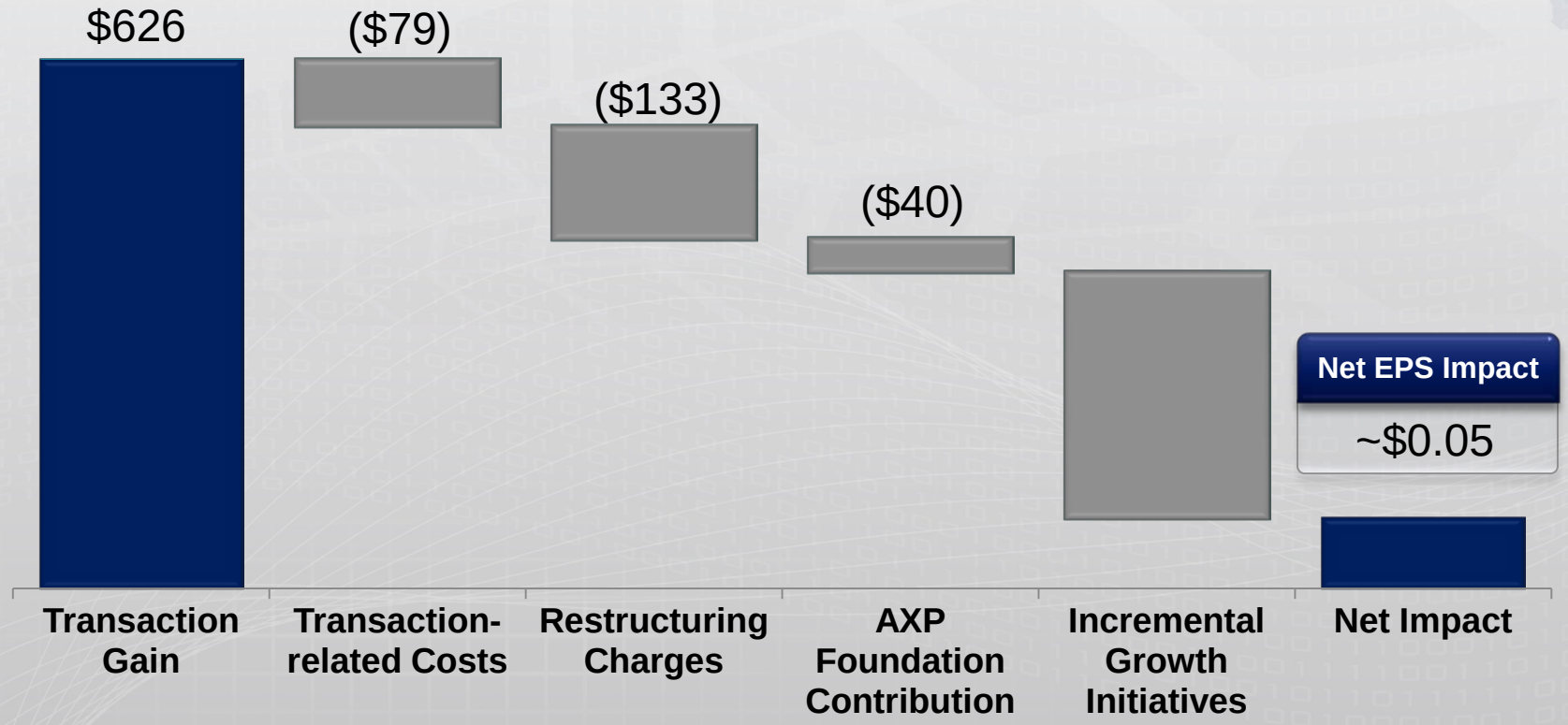
($ in millions; except per share amounts and where otherwise noted)

	Q2'14	Q2'13	% Inc/(Dec)
Billed Business ($ in B)*	$ 258.1	$237.7	9%
*FX Adjusted***		*$237.6*	*9%*
Total Revenues Net of Interest Expense	$ 8,657	$8,245	5%
*FX Adjusted***		*$8,230*	*5%*
Pretax Income	$ 2,312	$1,995	16%
Net Income	$1,529	$1,405	9%
Diluted EPS***	$1.43	$1.27	13%
Return on Average Equity	29%	24%	
Average Diluted Shares Outstanding	1,058	1,097	(4%)

**Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), corporate payments and certain insurance fees charged on proprietary cards. **Total revenue net of interest expense on an FX adjusted basis is a non-GAAP measures. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q2'14 foreign exchange rates apply to Q2'13 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies. ***Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and other items.*

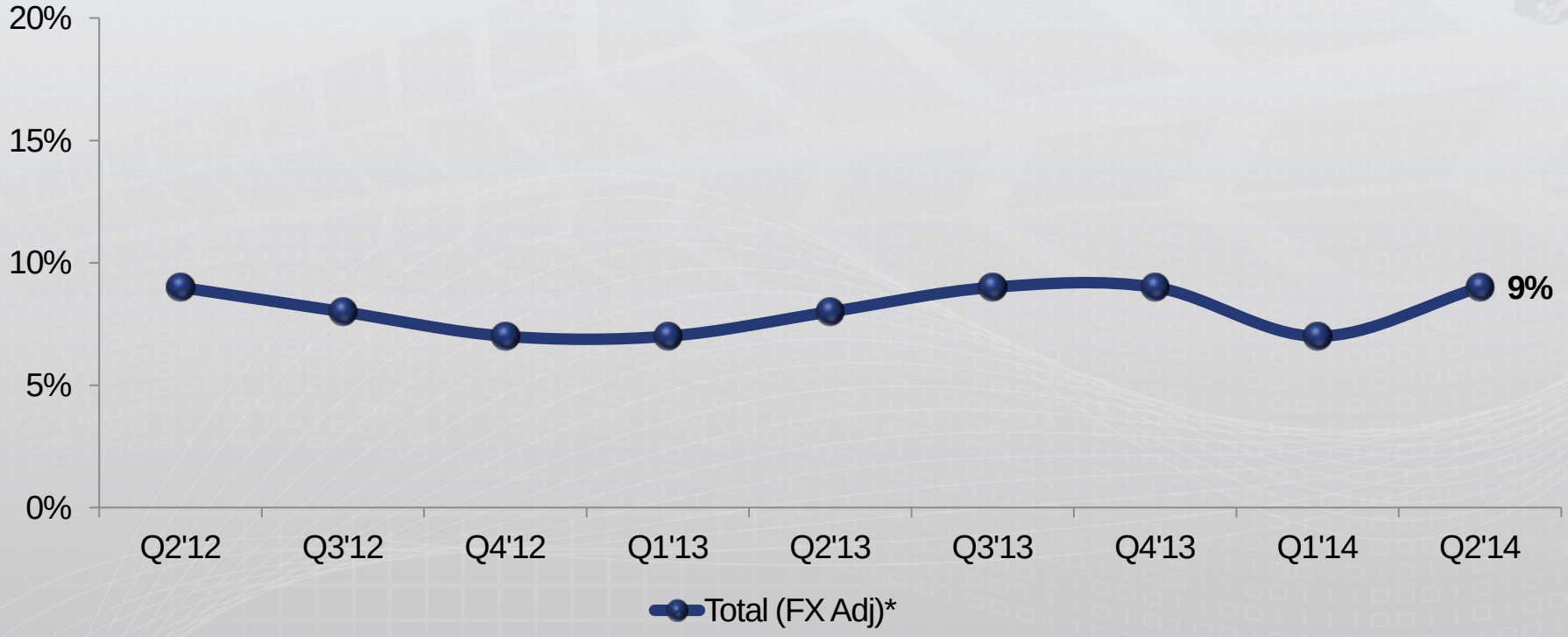
Business Travel Joint Venture

(Pre-Tax Impact, $ in millions; except per share amounts)



Billed Business Growth

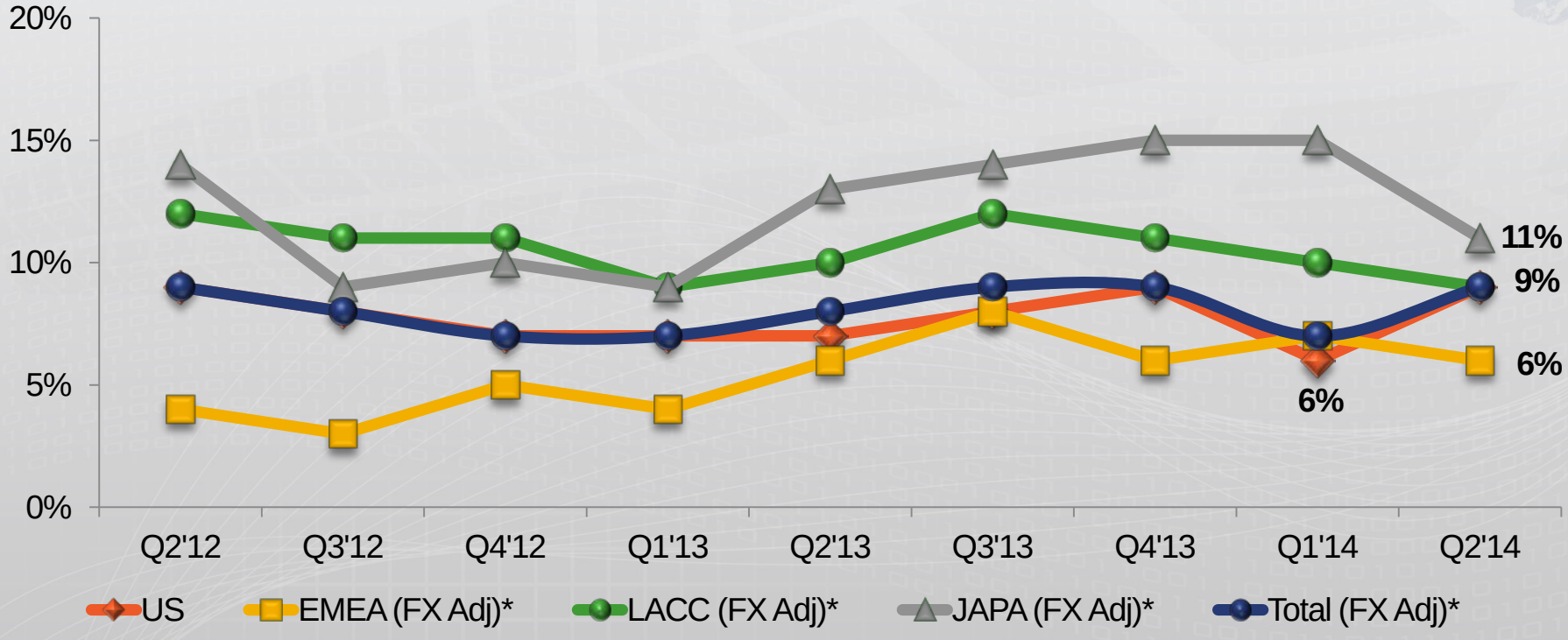
% Increase/(decrease) vs. Prior year:



*See Annex 1 for reported billings growth rates.

Billed Business Growth by Region

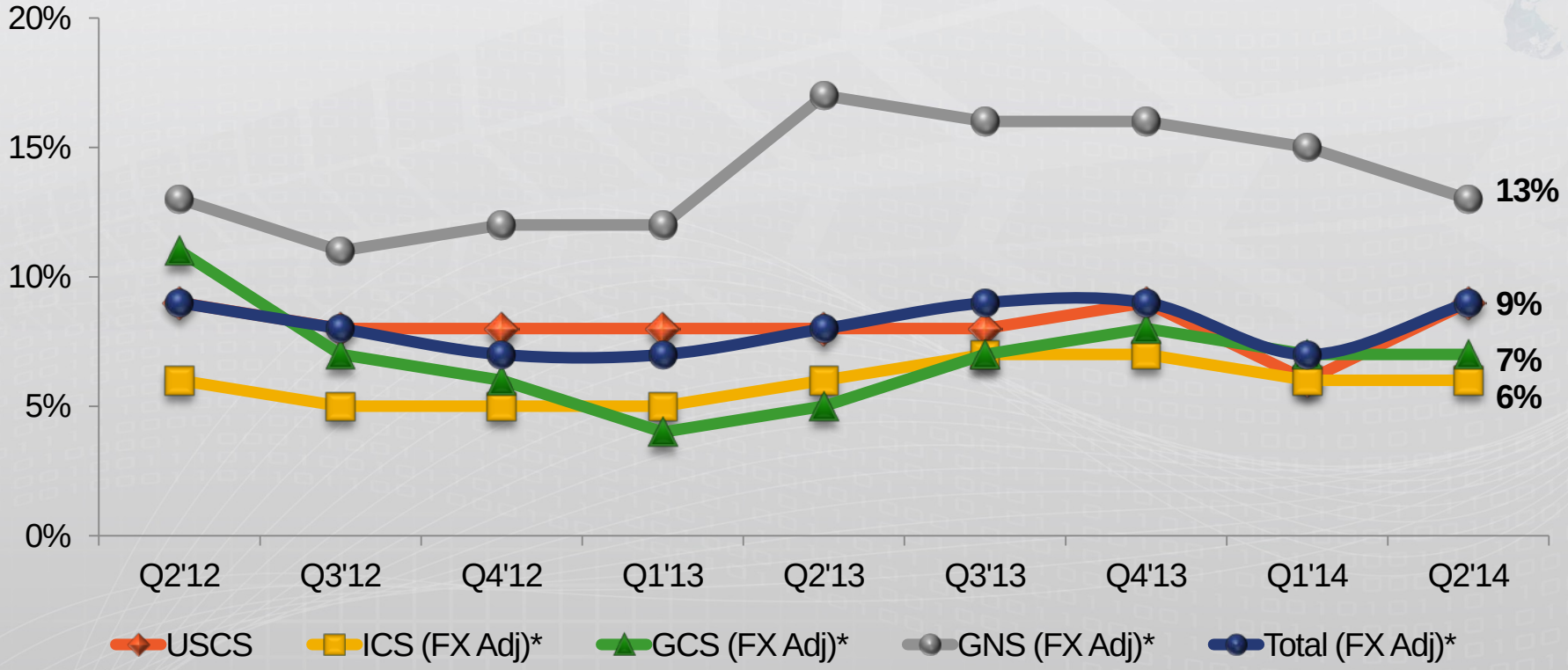
% Increase/(decrease) vs. Prior year:



*See Annex 1 for reported billings growth rates.

Billed Business Growth by Segment

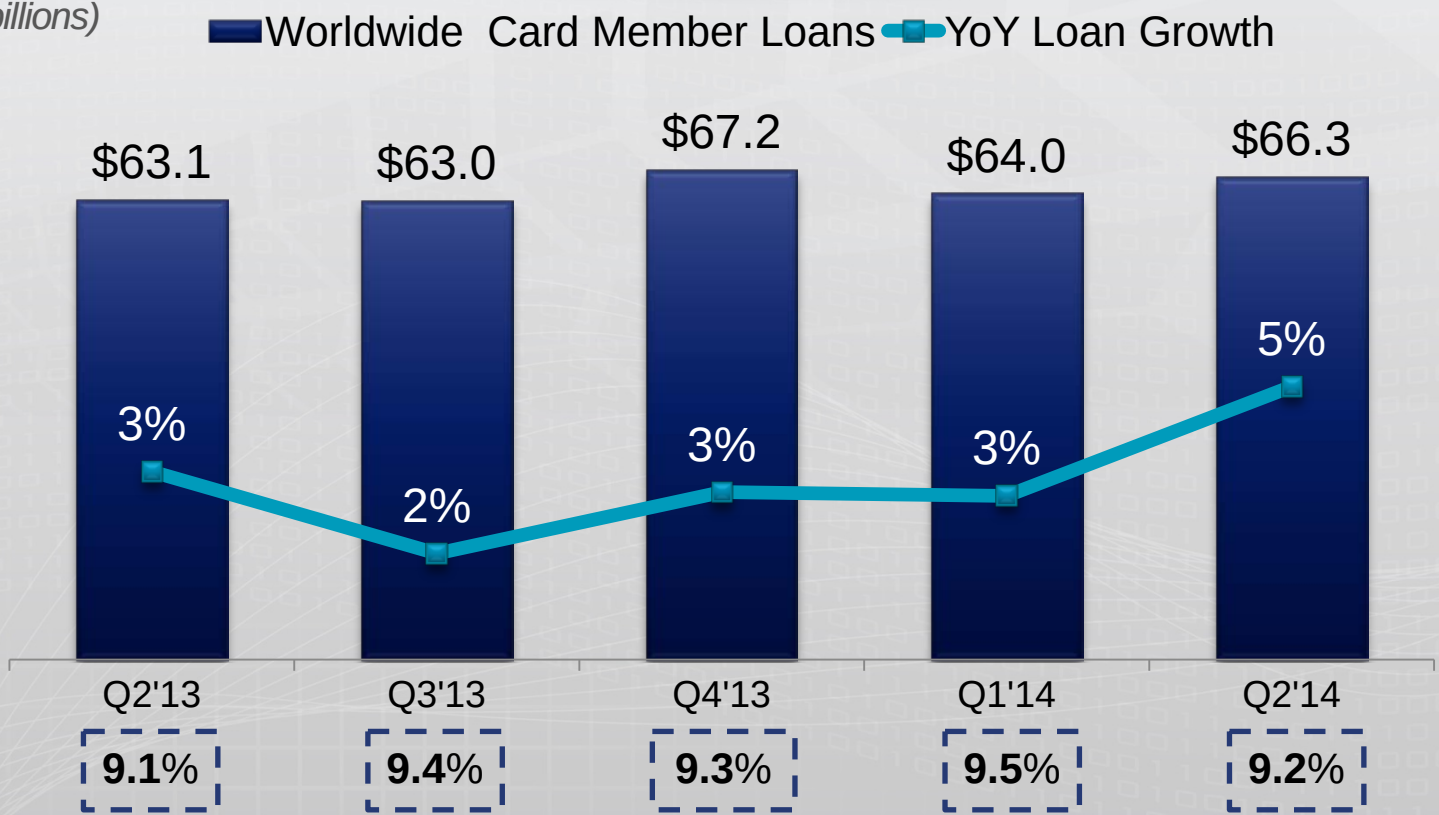
% Increase/(decrease) vs. Prior year:



*See Annex 2 for reported billings growth rates.

Worldwide Card Member Loans

($ in billions)



	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
WW Net Interest Yield*	**9.1%**	**9.4%**	**9.3%**	**9.5%**	**9.2%**

**Refer to Annex 5 for the calculation of Worldwide net interest yield on Card Member loans, a non-GAAP measure, and net interest income divided by average loans, a GAAP measure.*

Revenue Performance

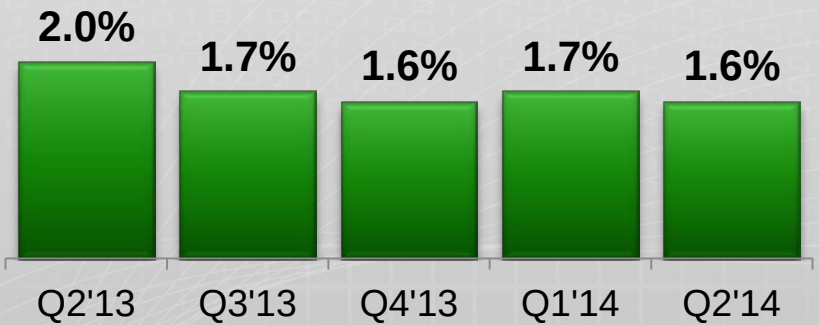
($ in millions)

	Q2'14	Q2'13	Q2'14 % Inc
Discount Revenue	$4,945	$4,729	5%
Net Card Fees	687	647	6%
Travel Commissions & Fees	500	495	1%
Other Commissions & Fees	624	605	3%
Other Revenue	585	567	3%
Net Interest Income	1,316	1,202	9%
Total Revenues Net of Interest Expense*	$8,657	$8,245	5%

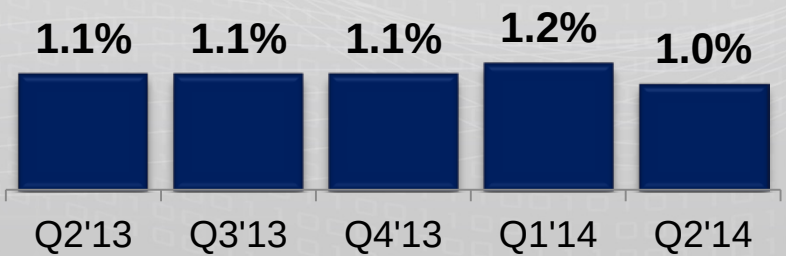
**Total revenues net of interest expense on an FX adjusted basis, a non-GAAP measure, increased 5% in Q2'14. See slide 2 for an explanation of FX adjusted information.*

AXP Lending Credit Performance

Net Write-off Rate*



30 Days Past Due



*Rates above include Principal only. See Statistical Tables in the Company's Second Quarter 2014 Earnings Release for net write-off rates including interest and/or fees.

Lending Reserve Coverage

	Q2'14	Q1'14	Q2'13
US Card Services			
% of Loans	1.7%	1.8%	2.1%
% of Past Due	183%	168%	200%
Principal Months Coverage*	12.6x	12.6x	12.6x
Worldwide			
% of Loans	1.8%	1.9%	2.1%
% of Past Due	171%	159%	188%
Principal Months Coverage*	12.5x	12.4x	12.5x

**Calculated by dividing the ending principal reserve balance by a monthly average of net principal write-offs during the respective quarter.*

Provisions for Losses

($ in millions)

	Q2'14	Q2'13	Q2'14 % Inc/(Dec)
Charge Card	$183	$161	14%
Card Member Loans	282	334	(16%)
Other	24	23	4%
Total*	$489	$518	(6%)
Worldwide Reserve Release (Release)/Build	*($22)*	*($49)*	

**Total provision on an FX adjusted basis, a non-GAAP measure, decreased 5% in Q2'14. See slide 2 for an explanation of FX adjusted information.*

Expense Performance

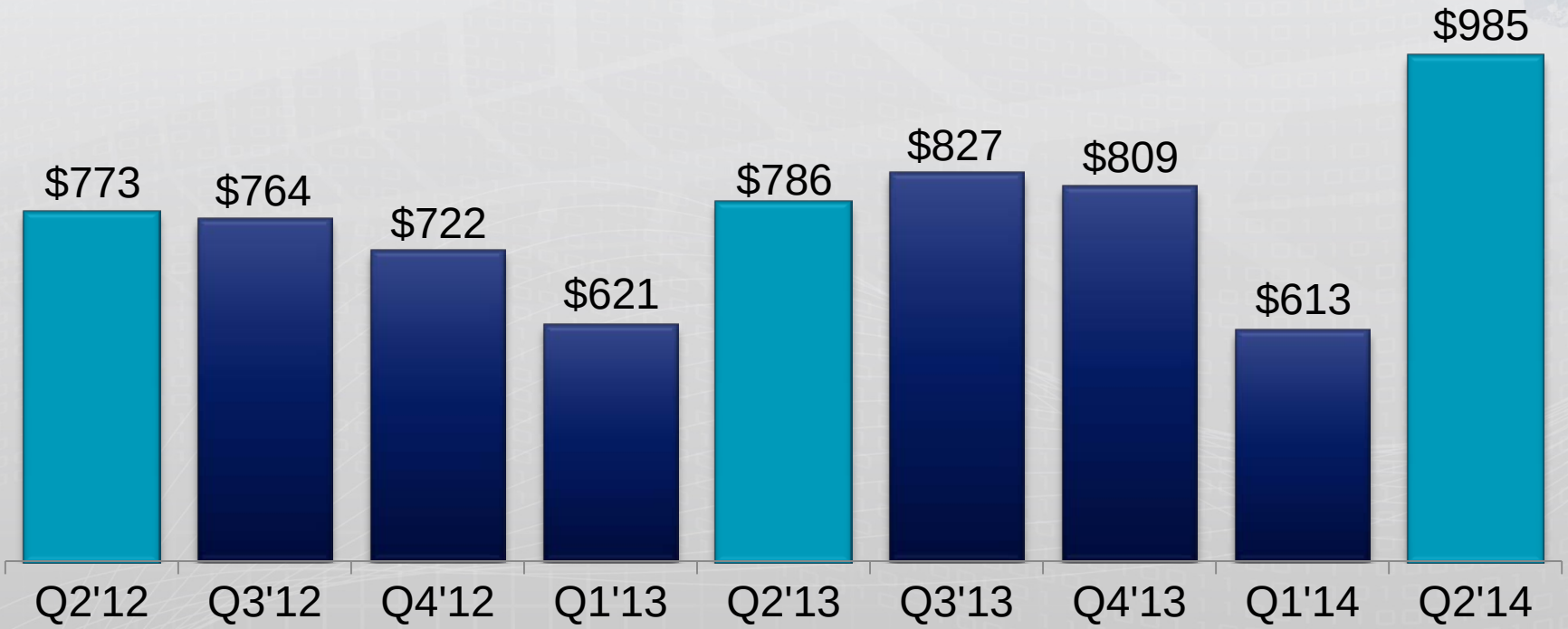
($ in millions)

	Q2'14	Q2'13	Q2'14 % Inc/(Dec)
Marketing and Promotion	$985	$786	25%
Card Member Rewards	1,773	1,601	11%
Card Member Services and Other	192	193	(1%)
Total Operating Expenses*	2,906	3,152	(8%)
Total Expenses**	$5,856	$5,732	2%
Tax Rate	33.9%	29.6%	

** Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide14 for a breakdown of these amounts.*
*** Total Expenses on an FX adjusted basis, a non-GAAP measure, increased 2% in Q2'14. See slide 2 for an explanation of FX adjusted information.*

Marketing and Promotion Expense

($ in millions)



Operating Expense Performance

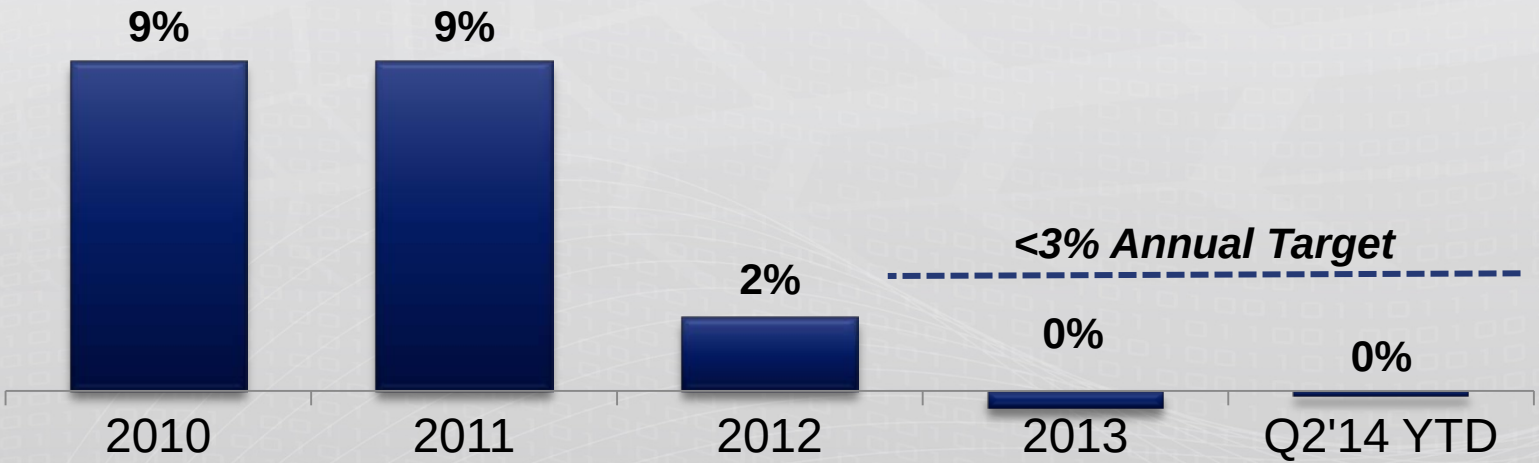
($ in millions)

	Q2'14	Q2'13	Q2'14 % Inc/(Dec)
Salaries and Employee Benefits	$1,658	$1,543	7%
Professional Services	817	763	7%
Occupancy and Equipment	467	460	2%
Communications	101	92	10%
Other, Net	(137)	294	#
Total Operating Expenses*	$2,906	$3,152	(8%)

*# Denotes a variance of more than 100%. *Total Operating Expenses, on an FX adjusted basis, a non-GAAP measure, decreased 8% in Q2'14. See slide 2 for an explanation of FX adjusted information.*

Adjusted Total Operating Expense Growth*

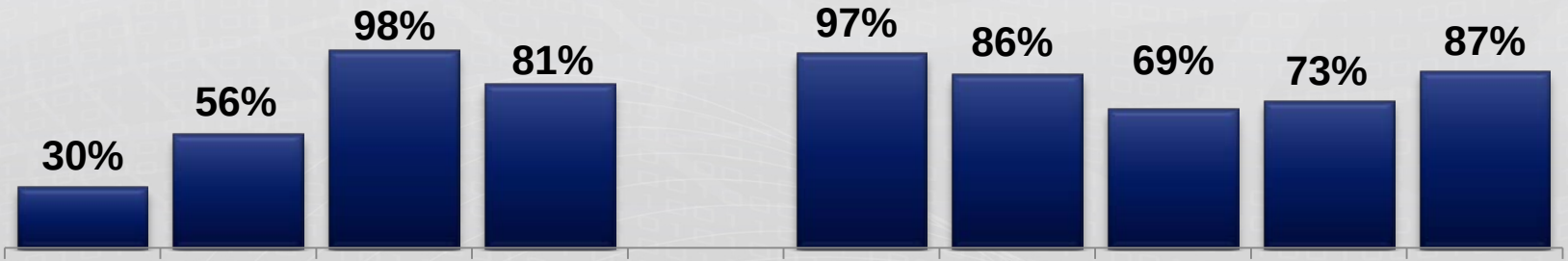
% Increase/(decrease) vs. Prior year:



*Note: See slide 12 for definition of operating expenses. *The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes Visa/MasterCard litigation settlement proceeds from 2010-2012, Q4'12 restructuring charges, and Q2'14 Business Travel JV gain, transaction-related costs, restructuring charges and AXP Foundation contribution from total operating expenses. Reported operating expense growth rates were 9%, 12%, 10%, (3%), and (6%) for 2010, 2011, 2012, 2013, and Q2'14 YTD, respectively. Refer to Annex 4 for a reconciliation of adjusted growth rates and their components.*

Total Payout Ratio

Percentage of Capital Generated Returned to Shareholders

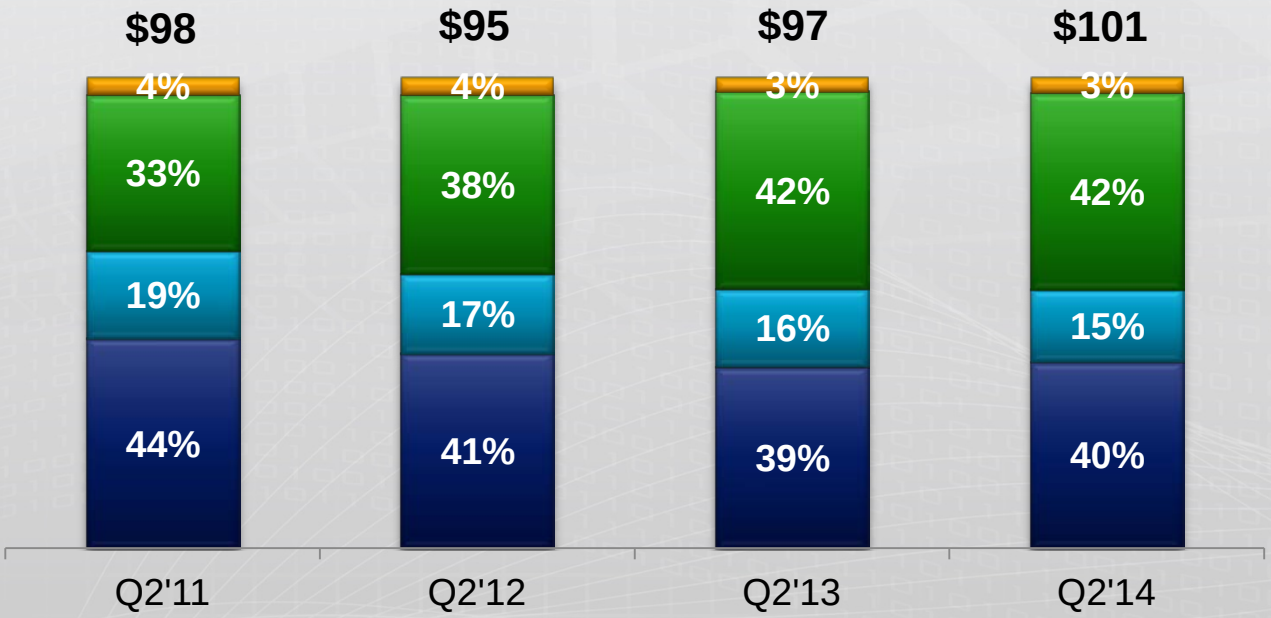


Risk-Based Capital Ratios*	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Tier 1 Common	12.5%	12.8%	12.5%	13.6%	13.4%
Tier 1 Capital	12.5%	12.8%	12.5%	13.6%	13.4%

*Note: Payout Ratio is calculated by dividing the total amount returned to shareholders through dividends and share repurchases during the respective period by the total capital generated through net income attributable to common shareholders and employee plans during the respective period. *The Risk-Based Capital Ratios represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's Form 10-Q for the quarter ended June 30, 2014. Tier 1 Common is Tier 1 Common under Basel I for the periods ending Q2'13 through Q4'13 , and Common Equity Tier 1 under Basel III, inclusive of transition provisions, for the periods ending Q1'14 through Q2'14. The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-Weighted Assets. See Annex 3 for a reconciliation between Tier 1 Common Equity and Total Shareholders' Equity.*

Funding Mix

($ in billions)



In Q1'12, the Company reclassified certain short-term debt obligations from Other Liabilities. Balances as of 6/30/11 have been revised to conform to the current period presentation. Beginning the first quarter of 2013, the Company reclassified prospectively Card Member credit balances from Card Member loans, Card Member receivables and Other Liabilities to Customer deposits. Q2'13 and Q2'14 include Card Member credit balances of $0.4B and $0.7B, respectively. †Reflects face amount of Card ABS, net of securities retained by the Company. Includes outstanding ABS secured borrowing facility draws. ††Reflects face amount of unsecured term debt; the long-term debt balance on the Company's consolidated balance sheet includes capitalized leases and certain adjustments which are not included in these balances.*


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Annex 1

Regional Billed Business – Reported & FX Adjusted*

% increase/(decrease) vs. prior year

	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
EMEA									
Reported	(4%)	(4%)	5%	2%	7%	10%	9%	11%	12%
FX Adjusted	4%	3%	5%	4%	6%	8%	6%	7%	6%
JAPA									
Reported	10%	8%	11%	6%	8%	4%	6%	7%	10%
FX Adjusted	14%	9%	10%	9%	13%	14%	15%	15%	11%
LACC									
Reported	3%	5%	11%	6%	8%	7%	5%	(1%)	2%
FX Adjusted	12%	11%	11%	9%	10%	12%	11%	10%	9%
Worldwide									
Reported	7%	6%	8%	6%	7%	7%	8%	6%	9%
FX Adjusted	9%	8%	7%	7%	8%	9%	9%	7%	9%

**See slide 2 for an explanation of FX adjusted information*

Annex 2

Segment Billed Business – Reported & FX Adjusted*

% increase/(decrease) vs. prior year

	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
ICS									
Reported	0%	1%	6%	2%	3%	2%	2%	2%	6%
FX Adjusted	6%	5%	5%	5%	6%	7%	7%	6%	6%
GCS									
Reported	8%	5%	6%	3%	5%	6%	7%	6%	7%
FX Adjusted	11%	7%	6%	4%	5%	7%	8%	7%	7%
GNS									
Reported	7%	6%	12%	9%	14%	12%	12%	10%	12%
FX Adjusted	13%	11%	12%	12%	17%	16%	16%	15%	13%
Worldwide									
Reported	7%	6%	8%	6%	7%	7%	8%	6%	9%
FX Adjusted	9%	8%	7%	7%	8%	9%	9%	7%	9%

**See slide 2 for an explanation of FX adjusted information*

Annex 3

- ***The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. Tier 1 Common Equity is calculated by reference to Total Shareholders' Equity as shown below:***

% increase/(decrease) vs. prior year

	6/30/2013	9/30/2013	12/31/2013
Total Shareholders' Equity	$19,034	$19,216	$19,496
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	280	323	336
Less			
Ineligible goodwill and intangible assets	(3,569)	(3,586)	(3,474)
Ineligible deferred tax assets	(191)	(202)	(192)
Other Basel III deductions			
Tier 1 Common Equity	**$15,554**	**$15,751**	**$16,166**

Annex 4

($ in millions)	2009	2010	2011	2012	2013	Q2'13	Q2'14	Q2'13 YTD	Q2'14 YTD
GAAP Total Operating Expenses	$9,980	$10,916	$12,243	$13,447	$12,987	$3,152	$2,906	$6,378	$5,995
Visa/MasterCard Settlement Payments	880	880	580						
Q4'12 Charges:									
Restructuring Charges*				(400)					
Q2'14 Global Business Travel Transaction									
Transaction Gain							626		626
Transaction-related Costs							(79)		(79)
Restructuring Charges*							(133)		(133)
AXP Foundation Contribution*							(40)		(40)
Adjusted Total Operating Expenses	$10,860	$11,796	$12,823	$13,047	$12,987	$3,152	$3,280	$6,378	$6,369
YoY% Increase/Decrease in GAAP Total Operating Expenses		**9%**	**12%**	**10%**	**(3%)**		**(8%)**		**(6%)**
YoY% Increase/Decrease in Adjusted Total Operating Expenses		**9%**	**9%**	**2%**	**0%**		**4%**		**0%**

**To the extent comparable categories of charges were recognized in periods other than Q4'12 and/or Q2'14, they have not been excluded.*

Annex 5

WW Net Interest Yield on Card Loans

($ in millions)

	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
Net Interest Income	$1,121	$1,181	$1,193	$1,243	$1,202	$1,283	$1,319	$1,337	$1,316
Excludes:									
Interest expense not attributable to the Company's Card Member loan portfolio	$341	$338	$324	$311	$295	$296	$279	$263	$259
Interest income not attributable to the Company's Card Member loan portfolio	($104)	($97)	($91)	($95)	($88)	($87)	($91)	($88)	($89)
Adjusted net interest income (A)	**$1,358**	**$1,422**	**$1,426**	**$1,459**	**$1,409**	**$1,492**	**$1,507**	**$1,512**	**$1,486**
Average loans (billions)	$60.6	$61.4	$62.9	$62.8	62.5	$63.0	$64.4	$64.5	$65.2
Excludes:									
Unamortized deferred card fees, net of direct acquisition costs of Card Member loans (billions)	($0.2)	($0.2)	($0.2)	($0.3)	($0.3)	($0.2)	($0.2)	($0.2)	($0.2)
Adjusted average loans (billions) (B)	**$60.4**	**$61.2**	**$62.7**	**$62.5**	**$62.2**	**$62.8**	**$64.2**	**$64.3**	**$65.0**
Net interest income divided by average loans (C)	7.4%	7.7%	7.5%	8.0%	7.7%	8.1%	8.1%	8.4%	8.1%
Net interest yield on Card Member loans (D)	9.0%	9.3%	9.1%	9.5%	9.1%	9.4%	9.3%	9.5%	9.2%

(A) Adjusted net interest income, a non-GAAP measure, represents net interest income allocated to the Company's Card Member loan portfolio excluding the impact of interest expense and interest income not attributable to the Company's Card Member loan portfolio. The Company believes adjusted net interest income is useful to investors because it is a component of net interest yield on Card Member loans. (B) Adjusted average loans, a non-GAAP measure, represents average Card Member loans excluding the impact of deferred card fees, net of deferred direct acquisition costs of Card Member loans, and other. The Company believes adjusted average loans is useful to investors because it is a component of net interest yield on Card Member loans. (C) This calculation includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on Card Member loans. The calculation includes interest income and interest expense attributable to investment securities and other interest-bearing deposits as well as to Card Member loans, and interest expense attributable to other activities, including Card Member receivables. (D) Net interest yield on Card Member loans, a non-GAAP measure, is computed by dividing adjusted net interest income by adjusted average loans, computed on an annualized basis. The calculation of net interest yield on Card Member loans includes interest that is deemed uncollectible. For all presentations of net interest yield on Card Member loans, reserves and net write-offs related to uncollectible interest are recorded through provisions for losses – Card Member loans; therefore, such reserves and net write-offs are not included in the net interest yield calculation. The Company believes net interest yield on Card Member loans is useful to investors because it provides a measure of profitability of the Company's Card Member loan portfolio.

Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

- the ability to hold annual operating expense growth to less than 3 percent during 2014, which will depend in part on unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory-related costs and technology costs, the payment of monetary damages and penalties, disgorgement and restitution, the Company's decision to increase or decrease discretionary operating expenses depending on overall business performance, the Company's ability to achieve the expected benefits of the Company's reengineering plans, the Company's ability to balance expense control and investments in the business, the impact of changes in foreign currency exchange rates on costs and results, the impact of accounting changes and reclassifications, and the level of acquisition activity and related expenses;

- the ability of the Company to meet its on-average and over-time growth targets for revenues net of interest expense, earnings per share and return on average equity, which will depend on factors such as the Company's success in implementing its strategies and business initiatives including growing the Company's share of overall spending, increasing merchant coverage, enhancing its prepaid offerings, expanding the Global Network Services business and controlling expenses, and on factors outside management's control including the willingness of Card Members to sustain spending, the effectiveness of marketing and loyalty programs, regulatory and market pressures on pricing, credit trends, currency and interest rate fluctuations, and changes in general economic conditions, such as GDP growth, consumer confidence, unemployment and the housing market;

- the ability of the Company to meet its on-average and over-time objective to return 50 percent of capital generated to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its regulators, the amount the Company spends on acquisitions, the Company's results of operations and capital needs in any given period, and the amount of shares issued by the Company to employees upon the exercise of options;

- erosion of the average discount rate during 2014 and over time that is greater than expected, which could be caused by changes in the mix of spending by location and industry, volume-related pricing discounts, strategic investments, certain pricing initiatives, competition in the market and other factors;

Forward Looking Statements

- the impact of final laws and regulations, if any, arising from the European Commission's legislative proposals covering a range of issues affecting the payments industry, which will depend on various factors, including, but not limited to, the issues presented and decisions made in the European legislative and regulatory processes addressing the proposed regulation of interchange fees and other practices related to card-based payment transactions, the amount of time these processes take to reach completion, and the actual pricing and other requirements ultimately adopted in the final laws and regulations in the European Union and its Member States;

- the ability of the Company to maintain and expand its presence in the digital payments space, including online and mobile channels, which will depend on the Company's success in evolving its business models and processes for the digital environment, building partnerships and executing programs with companies, and utilizing digital capabilities that can be leveraged for future growth;

- the possibility that the Company will not fully execute on its plans for OptBlue, including offsetting decreases in the average discount rate with higher spend volume, which will depend in part on fully rolling out OptBlue in a timely manner, the Company's ability to partner with additional merchant acquirers and the success of OptBlue merchant acquirers in signing merchants to accept American Express, which could be impacted by the pricing set by the merchant acquirers and the value proposition offered to small merchants;

- changes affecting the Company's ability or desire to execute its share repurchase program, including repurchasing up to $2.3 billion of common shares during the remainder of 2014 and up to $1.0 billion of common shares in the first quarter of 2015, such as actions by bank regulatory agencies, acquisitions, results of operations, capital needs and the amount of shares issued by the Company to employees upon the exercise of options, among other factors, which will significantly impact the potential decrease in the Company's capital ratios;

- litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against us by the U.S. Department of Justice and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against us or us voluntarily making certain changes to our business practices, the effects of which in either case could have a material adverse impact on our financial performance; (ii) the imposition of substantial monetary damages and penalties, disgorgement and restitution; and/or (iii) damage to our global reputation and brand;

- the potential failure of the U.S. Congress to renew legislation regarding the active financing exception to Subpart F of the Internal Revenue Code, which could increase the Company's effective tax rate and have an adverse impact on net income; and

Forward Looking Statements

- factors beyond the Company's control such as changes in global economic and business conditions, including consumer and business spending, the availability and cost of capital, unemployment and political conditions, fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, terrorism, cyber attacks or fraud, which could significantly affect spending on American Express cards, delinquency rates, loan balances and travel-related spending or disrupt the Company's global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 and the Company's other reports filed with the Securities and Exchange Commission.


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